INNOVATIVE LEADERSHIP AND MARKETING IN THE STYRIAN VOLCANIC REGION

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Abstract
Innovative leadership and marketing have made the "Styrian Volcanic Region" a role model for innovation and products of the highest quality, in a previously underdeveloped area. Intelligent decisions as well as the efforts of several players of different sectors have initiated a transformation process since 1995, which continues until today. By focusing on innovative products, building social values and bringing the region to international frontrunners, the goals were achieved in a protracted process.
The Styrian Volcanic Region (SVR) lies in the south-eastern part of Austria. The region participated and profited from the European Union „LEADER+" program and was able to combine a high number of municipalities in the region by working together on a vision, which is something unique in the entire history of the country. The focus on the use of sustainable and organically grown products, the way of processing high-quality goods as well as the marketing of these products under one common region-label were the guarantors of success for a glorious transformation process. The innovative and future-oriented decisions of the entrepreneurs as well as the support of the local politicians have made this project possible and thanks to innovative leadership as well as marketing their vision became a reality.

Keywords: *marketing, regional development, project management, resources, impacts and visions*

JEL Classification: *Q21, Q47, Q48.*

I. INTRODUCTION

Since 1995, and thanks to innovative entrepreneurship and forward-looking planning by the Province of Styria, the Styrian Volcanic Region (SVR) has been able to develop itself into a highly profitable region. Priority was given to the production of a variety of sustainable goods with the highest quality level. The cooperation of all stakeholders, from farmers to creatives, have made it possible, to transform the SVR into a model region in terms of marketing and innovation.

Of particular importance are the two key elements "innovative leadership" and "innovative marketing". By coordinating all actors in the region to work on a common concept, the strategy succeeded. Also, the cooperation with the local government was necessary to reach today's goal. The idea to market the whole region as one brand, standing for high national and international quality, guarantees extraordinary sales of the regional products. The brand of the "Styrian Volcanic Region" combines important elements such as sustainability, foresight, variety, innovation and entrepreneurial risk. Working under this approach, the SVR has given a positive example of how an under-developed region can be transformed into a successful region with a bright future.

This article shows how the SVR reached its goal to gain international recognition, to raise the export of regional products and explains how the development of these innovative concepts was possible, which made the grand success possible.

II. INNOVATIVE LEADERSHIP

When we take a closer look at the term “leadership”, we find that its definition has changed over time. In the past, it was generally assumed that a “leader” was an individual who took control over a group of people. However, it is now common practice for the leader to merge the core competences of their employees and to provide the best work settings for them to develop (Avolio, Walumbwa, & Weber, 2009; Avolio, 2007; Day & Harrison, 2007; Yukl, 2010). Especially in modern times, entrepreneurs all over the world and across different disciplines have decided to break up strict hierarchical structures in order to favour a homogeneous division of labour within a team, as that system is more success-oriented (Brown & Gioia, 2002; Day, Gronn, & Salas, 2004; Drath & Palus, 1994; Pearce, Manz, & Sims, 2009). The reason for this restructuring are drawn from the current believe that innovative processes within creative organizations work best through shared leadership. As a result, the transfer of responsibilities to employees has become an important factor in ensuring high levels of innovative success. By doing so, all members of a team can be given the opportunity to support and complement each other, and to grow into a stronger unity (Avolio et al., 2009).

The term “innovator” is generally used to speak about a single person who had an impeccable idea and managed to bring it to life through their actions. However, the current definition of an “innovator”, used by this paper, has changed into the one of an "innovative leader". An innovative leader is seen as a person who works together with their employees or team members on a vision that ultimately becomes a shared reality or result of their shared working ambitions (Baumgartner, 2013). From an entrepreneurial point of view, innovation acts as the driving force for finding solutions for an adapted problem and in the best case, to be able to implement them in a successful way (Ford & Gioia, 2000; Taggar, 2002; West & Anderson, 1996). Innovations offer the possibility of generating alternative approaches and of making life as such easier. It is fair to say that profit-oriented businesses usually massively benefit from innovation processes, generated by their employees because they normally increase output. (Shalley, Gilson, & Blum, 2000).

II.I Factors within the individual

In order to create the best possible conditions for employees to increase their output of creativity, it is important to consider and to combine the following components in the best possible way: skills, abilities, motivation and domain expertise (Woodman et al., 1993). The biggest and most important factor in increasing employees’ creativity is by giving them the freedom to generate and sustain their intrinsic, fundamental motivation because motivation itself can only come from the individual person themselves (Shalley & Oldham, 1997).

Therefore, it is the task of a leader to ensure that the framework conditions for the employees are optimal to keep their intrinsic motivation, so they can subsequently make a positive contribution to the company (Raelin, 2004). It is important to consider that innovative ideas can have their origin from all sorts of things, for example different people with different backgrounds, knowledge and skills. Innovative leadership is, therefore, the combination of the collaboration of these different people and their heading in a mutual direction (Baumgartner 2013). The task of the leader is to develop a sense of which employee is the best one for certain tasks. The leader has to find out which one has an innovative and creative spirit and help promote it in the best possible way. This can be done by allocating an optimal working environment and also giving the employee the feeling that their position is secure enough to work on innovative ideas and to risk going into new directions and following new ideas (Leavy, 2005).

In order to generate this safe and comfortable feeling among employees it is important to also give them the possibility to expand their knowledge, skills and domain-specific work tasks. This also leads to a stronger wish within the employees to explore their own creativity and forms one key element of being a strong and good leader of a team (Gardner & Laskin, 2011; Weisberg, 1999).

II.II Social and contextual factors

According to Shalley et al. (2000), it is essential to provide employees with a suitable workplace, designed to meet their needs and give a high amount of flexibility to generate a healthy and smooth workflow. It should also be mentioned that every member of a team should be given a role that matches their qualifications and does not make them feel under- or overqualified (Shalley & Gilson , 2004).

Zerfass and Huck (2007) found that another important skill of a leader is to choose the right employees, the right team. Significance should be placed on skills such as appropriate abilities, domain-specific knowledge and technical skills. These are important to promote other factors such as intrinsic motivation, autonomy and creative innovation skills within the company.

As a result, a sense of self-motivation can be generated within the employees and in the best cases the team members generate even passion for their work. It was also noted that a team should be as diverse as possible. Diversity leads to a high level of individuality and can significantly strengthens the innovative output. A suitable and pleasant working environment is just as necessary as having enough time and freedom to work successfully. The team leader needs also to be able to define exact goals and observe development stages over time, to provide feedback and support. This leads to an almost progressive innovation process. However, the probably most important ambition of a leader is to vividly communicate their vision to the team members. The consequence would be enthusiasm and complete buy-in. Employees can identify with the leader's vision and thus work more effectively on the implementation. The generated motivation among employees also leads to a point, where they are willing to invest their own time and resources to archive this vision (Zerfass & Huck, 2007).

II.III Innovative leaders' behaviours

Innovative leaders have the possibility to influence the general behaviour of their employees by promoting and supporting innovation during their daily routines. De Jong and Den Hartog (2007) pointed out 13 behaviours that a modern innovative leader should show to improve the success of a company: delegating, supporting innovation, providing vision, consulting, organizing feedback, innovative role modelling, intellectual stimulation, stimulating knowledge diffusion, rewards, recognition, monitoring, providing resources, and task assignment.

III. INNOVATIVE MARKETING

The growing market of national and international farming products as well as the ever-changing demands of customers on the products makes us aware of the advantages of regional products as a guarantor of success. According to Kullmann (2003), the following factors are an advantage of successfully selling regional products:

- quality of the product
- competence in the process
- having a key person for communication
- marketing
- organizational form of the company

Gothe (2002) says one of the most important requirements for success for the successful marketing of regional products is working with nationally and/or internationally known key figures. Those already have, in the best scenario, an influence on important partners in the region (eg, politicians) and should show a great effort and cooperation. It is also important to train the staff. Outstanding sales promotion instruments are joint advertising campaigns as well as tasting campaigns and promotional materials such as posters, internet advertising and broadcasting. Gerschau et al. (2002) state that the difficult situations of regional food merchants are mainly caused by procurement. Important factors in the marketing of regional products are the requirements that prevail in the trade. In order to be listed by the merchants, the terms and conditions under which the goods are selected must be taken into account. These include a diverse assortment, flawless quality, reliability in delivery and logistics, competitive costs and a factor of recognition, added by valuable marketing through the manufacturers (Benner & Kliebisch, 2004). Lademann et al. (2002) add that the needs of consumers must be covered by the list of products. Although there are negative aspects when the products are marketed through a labeling program that allocates the origin of a product to a specific region, the advantages of such a program are the financial support of the program sponsors themselves. There is also the possibility for both sides to share the marketing costs between each other (Benner & Kliebisch, 2004). Producers of regional products benefit from the participation of national origin programs. Regional control and associated regulations help to make the products more credible for the consumer. This advantage is reflected in increasing reputation, which is helpful in marketing the products. Therefore, it is important for the marketing team to underline the participation in these programs (Benner, 2000; Benner, 2003, Kliebisch & Wanner, 2004).

In order to underline the benefits of consuming regional products, it is also advisable to focus on the creation of regional brands. If regionalism is at the forefront, products with "organic" and "biologic" attributes can be better marketed than products that could be from abroad. It also turns out that the marketing focus on "high quality" can generate consumer buying incentives (Benner & Kliebisch, 2004). Additionally helpful for more sale of local goods are the organization of "farmers markets", loyalty programs or participation in city festivals.

3.1 New Marketing Outlets

One of the most important areas of our society today, when it comes to product promotion, is the Internet. It offers the opportunity for manufactures to reach out to more people than even live in the region where the products are made. Here are some key points to understand the possibilities of successful Internet marketing (Link & Tiedtke, 2001)

• the internet is everywhere: you can be actively present on the internet whether you are a multinational corporation or a one man business. The internet offers a platform for everyone and just needs to be planned and implemented.

• the internet is anyone: the requirements to be present on the internet are very simple: everyone can buy a domain, create a website and thus realize within a few hours a promotional appearance of their idea online.

• the internet is anytime: it is a space that is open 24/7, and therefore offers perfect opportunities to advertise or sell products regardless of store opening hours.

Through social media marketing, it is possible to advertise products or services to the customer regardless of search engines or online advertisement. Targeted marketing makes it possible to establish contact with specific target groups but also to attract potential business partners. Generally, social media marketing is divided into two categories:

• reactive social media marketing: internet users often do reviews on products or services in online forums or other platforms. A company has the opportunity to respond to criticism in more detail, to solicit suggestions for improvement but also to thank for the good reviews.

• proactive social media marketing: when a company takes the initiative to approach potential customers in order to form a dialogue, they make use of one of the most important principles in social media marketing. Proactive social media marketing generally means to offer the user the possibility of a reaction.

The goal of social media marketing is to represent a company or idea in its entirety and make it look sustainabe. Sustainability stands for the fact that the company will exist also in the future and therefore can be a loyal partner. It is also important to focus on continuity in social media marketing. A certain amount of continual activity is a prerequisite. Furthermore, it is important that a company in the online world acts exactly as in the real world. This effort falls under the term entirety. A company which has to represent a certain image on the outside must be able to also communicate that virtually. The virtual efforts usually serve to market the services or goods in the real world and are therefore connected (Heymann-Reder, 2012).

IV. Visions within the Styrian Volcanic Region

The „Styrian Volcanic Region“ (SVR) defines a small region in the south-eastern part of Austria in the federal state of Styria. It includes a total of 53 municipalities who participate and co-work under the label “„Styrian Volcanic Region“. The SVR stands for a conglomerate which hosts the local business, agricultural and tourism sectors. The development process is directed by the “Steirisches Vulkanland Regionalentwicklung GmbH”. The SVR also gains the national EU regional support (Nischwitz, Molitor & Rohne, 2002). The advantages of the SVR are its proximity to the capital of Steirmark, Graz. Furthermore, the SVR has a diverse cultural landscape and optimal cultivation possibilities for agricultural products, since the climate in this region is outstanding for the production of highest goods. It also houses small-scale industrial structures and tourism opportunities. The motivation and the will of the inhabitants are reflected in the efforts to develop the region into a strong social-cultural community.

In the early 1990s, the region began to put efforts into a sustainable regional development. It all began by declaring a mission statement for the Feldbach region, in order to transform the region into an economical healthy area. This was the basis for later efforts to transform the entire SVR into a sustainable and forward-looking parade example for regional development. In the year 1999, the regional coordination process began to pursue the goal of general transformation on a thematic and political level. The "Steirischse Vulkanland Regionalentwicklung GmbH" was founded especially for this project, by the 52 municipalities of this region. Their task was to lead the coordination of the development process and to guide them with the help of the "Kornberg Institute for Sustainable Regional Development and Applied Research" and their scientific expertise. Following this, support for the regional development plan "LEADER +" of the European Union was requested. At the same time, the promotion of the region started under the label “Styrian Volcanic Region” (Nischwitz, Molitor & Rohne, 2002).

The regional development agency of the SVR pursued 3 key elements for their success: innovation promotion tools including internal evaluation processes, concluding regional knowledge management and building and supporting regional innovation locations as well as brand management of the SVR label, which was also under the control of the regional development agency. High priority was given to the successful application and the long-term goal of establishing the region of the SVR under the name "Styrian Volcanic Region", nationally and internationally. In general, focus was placed on building trust in the quality of the products and

services. Important marketing strategies to help this process were ongoing media presence, joint press conferences of all actors and a common language culture.

In terms of brand awareness, the following goals were pursued to make the brand "Vulkanland" successful. These two points mainly concern the brand management itself.

• future paper brand management: an action plan was developped to draw attention to the origin of the products with a "volcanic reference". In addition, the natural conditions were discussed and established structures introduced to future-oriented philosophies.

• nationwide brand positioning and strengthening of brand licensing companies: guidelines have been drawn up, which include quality criteria of the products and possibilities of networking within the SVR for brand licensing companies. Of great importance was the promise that the brand would stand for products and services of highest quality.

Prime examples are the SVR-based companies Zotter and Gölles, which, thanks to intelligent, creative and innovative concepts, are among the most successful companies in the region. Both companies combine the idea of producing top-quality products, working sustainably, and providing their customers with an in-depth look at the manufacturing process through visits to production facilities.

V. CONCLUSION

The purpose of this paper is to give an overview of the SVR's efforts, as it has evolved from an underdeveloped region over the last decades into an increasingly promising and innovative region, due to the efforts and the precise actions of the political and economic sectors for this economic operation. By focusing on innovative, sustainable and high quality products and participation in the European LEADER+ program it has been made possible to lead an underdeveloped region in a forward-looking direction.

Under the representation of all actors under the joint brand of the SVR, a satisfactory overall situation was created for the inhabitants, the business sectors and the local government. Two successful companies are named to illustrate the ongoing process, the Zotter and the Gölles manufactures. Those are extremely successful examples of how entrepreneurial leadership competences have led to creating companies of high importance to the region. Significant factors for the success of these manufactories are the inclusion of their own employees in important forward-looking decisions and processes, as well as the focus on innovative products and their marketing.

VI. SUMMARY

In the mid-1990s, economic, political and other regional actors decided to co-operatively improve the former underdeveloped area of the Styrian Volcanic Region. Through the intelligent and innovative approaches of several municipalities, the goal of creating an economically and socially sustainable area could be met. The appearance as a common regional brand, as well as the participation of the "LEADER +" program of the European Union, made this sustainable climb possible. Together, guidelines were created for regional products, sustainable forestry and a focus on convergence and strengthening cultural identity. This paper shows which innovative approaches local entrepreneurs pursued, with a focus on innovative leadership and their marketing approaches to achieve success. Also, how the focus on the production and creation of innovative high quality products can lead to success and what were the necessary things to keep in mind to do so. Within just 20 years, the Styrian Volcanic Rand has emerged as a showcase of social and economic sustainability, making it a model of future-oriented decisions to modernize an entire region, while maintaining its unique cultural value for the next generations.

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